

Introduction to Wrap-up or Owner Controlled Insurance Program

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What is an Owner Controller Insurance Program or OCIP?

❖ OCIP/Wrap-Up:
A centralized and controlled:

- ◆ Insurance
- ◆ Loss Control/Safety
- ◆ Claims Management

program purchased by Owner covering all
contractors and subcontractors of every tier

The Wrap-Up Concept

- ❖ Owner purchases the insurance for a specific construction project, as opposed to traditional method of contractors purchasing their own coverage
- ❖ Project-specific insurance provides major coverages
 - ◆ Project Professional Liability, General Liability, Excess Liability, Environmental Liability, Builder's Risk
- ❖ Coverage includes Owner, construction managers, general contractors, all subcontractors

Who is Insured in a Wrap-Up?

- ❖ Project Owner/Developer
- ❖ Construction Managers
- ❖ Contractors
- ❖ Subcontractors of All Tiers
- ❖ Anyone Who is “Enrolled”
 - ◆ Architects/Engineers
 - ◆ Consultants

Why Do This?

- ❖ Reduced insurance costs
- ❖ Broader and tailored coverage
- ❖ Uniformity and adequacy of coverage for all contractors and subcontractors
- ❖ Remove barriers of insurance for smaller, DBE firms
- ❖ Higher limits of liability
- ❖ Insurance costs fixed for the term of the project
- ❖ Insurance coverage in place through the Statute of Repose (8 years in Washington from completion of the project)

Why Do This? (Cont'd)

❖ Central administration of:

- ◆ Claims
- ◆ Safety and Loss Prevention: Single Source and Standardized Program
- ◆ Verification Process:
 - Contractor Insurance
 - Safety
 - Project Closeout

What Will the Contractor Still Need to Provide?

- ❖ General Liability for all work *outside* of the OCIP
- ❖ Automobile Liability
- ❖ Workers' Compensation
- ❖ Property Insurance for his tools and equipment

How Will Our Bid Specs be Affected?

- ❖ Special Contract Language
 - ◆ Language on OCIP coverages
 - ◆ Insurance Manual
 - ◆ Safety Manual

Next Steps?

- ❖ Legislative Exemption
- ❖ Preliminary Feasibility Study
- ❖ Contract Language